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TABLE OF CONTENTS

PAGE

THE EXPORT PROBLEM: ANOTHER VIEW
By Roy Glenday 250

ECONOMIC CONDITIONS AT HOME AND OVERSEAS ... 263

NOTES OF THE MONTH 266

HOME STATISTICS 271

OVERSEAS STATISTICS 280

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****The Bank publishes from time to time in this* MONTHLY REVIEW *signed articles by exponents of different theories on questions of public interest. The Bank is not necessarily in agreement with the views expressed in these articles.*

The Export Problem: Another View

By Roy Glenday

I

IT is possible, morally, to be in almost entire agreement with Professor Robbins in regard both to his strictures on the current behaviour of the business world and his catalogue of the ill-effects which accompany the use of subsidies, tariffs, import restrictions and the like; and yet, still to feel that he has failed to tackle the real problem.

Can anyone familiar with the facts of the present world trade situation really believe that our export problem would vanish like a bad dream if only men could be made to follow the precepts of the economist's Sermon on the Mount? I cannot think so. Life is much too complex to be fitted into such a limited framework of ideas. Besides, why is it that human folly makes men behave in one way at one time and in precisely the opposite manner at another, especially when the objective in view in both cases is the same?

Adam Smith, whom Professor Robbins is fond of quoting, published his "Enquiry into the Wealth of Nations" more than a century and a half ago. So little has the basic theory of economics changed in the intervening period that the economic student of to-day is still recommended to study that book.

According to Mr. Keynes, the thinking on which the standard economic textbook at our universities is based, was done more than half a century ago. This is in many

ways an extraordinary state of affairs. It would be quite impossible to find a parallel in any branch of natural science. A book on physical or biological theory written even as recently as fifty years ago has little more than antiquarian interest to-day. What is the explanation of this difference? I suggest it is that economics is not really a science at all; it is a branch of ethics. The economist is not interested in enquiring why groups of business men behave in one way at one time and in quite a different way at another, and in attempting to forecast from the results of investigations of this kind what is likely to happen in the future.

His real objective is quite different; it is to lay down rules of economic conduct. From his seat of authority he states categorically: "Thus and thus only must men behave if they desire truly to maximise their wealth." All behaviour which clashes with these rules of conduct is dubbed irrational and attributed either to common human frailty or to deliberate individual folly. To prefer, for example, security, "full employment" and a more balanced distribution of resources is to be guilty of mortal sin—or "second-rate thinking."

Such an attitude toward natural phenomena is nothing new in the history of thought. Natural science languished for centuries in the doldrums of factual ignorance for precisely the same reason. There is the story of a mediæval French savant who, having elaborated a theory of heredity almost perfect in its symmetry, and tried it out unsuccessfully on a group of animals, ordered their destruction with the words, "These animals are wicked; they refuse to obey the laws of heredity"! Here surely we have an almost precise replica of the attitude of the modern economist to the business world.

There is need for clear thinking. This is vital. There has been too much wishful thinking in our economic policy. We need to approach these problems not with the desire to suit our conclusions to our theories or interests, but in the spirit, and with the methods, of the scientist whose predominant objective is to *discover* facts and relations between facts. We are too intent on "making a case" rather than in finding the truth.

Reading Professor Robbins's paper, no one would guess that the old-established industrial areas of Great Britain,

founded on export trade and shipping, had a far more firmly-rooted vested interest in liberal world trade, and particularly in British Free Trade, than any of the present-day industries have in home trade and protection. Adam Smith, were he alive to-day, could certainly not have written,* " That in our time people in the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public or some contrivance to raise prices." Almost the precise contrary has been true.

Twenty years of almost unremitting trade depression have been needed to bring a majority of the Lancashire cotton trade even to the point of contemplating industrial co-operation. And the cotton industry has by no means been alone in offering the most determined resistance to the forces compelling industrial combination. So firmly are the nineteenth-century ideas of freedom still fixed in men's minds that, could they but be convinced that a return to the economic conditions which ruled in that century was really practicable, there would be no difficulty even to-day in securing a majority among the British business men in favour of a reversion to the earlier freedom.

In the present paper I propose first to set forth some of the changes in the world economic environment which, in my judgment, have made a reversion to the freer conditions of the past impossible; and, second, to indicate some of the consequences which must be expected to follow from that circumstance in so far as concerns the future of international trade.

II

My chief submission is that economists in their theories have been so preoccupied with the moral behaviour of the economic *individual* that they have forgotten the economic *system*. The reason why the world is reverting to an age of restriction similar to that with which Adam Smith was so familiar may simply be that the period of youthful expansion which our economic system enjoyed during the nineteenth century is at an end. The expanding phase is over. We are face to face with the problems of maturity—perhaps even of old age. If this be so, then, since growth is an irreversible process, a fresh lease of life may first require a disintegration

* " Wealth of Nations " (Cannan Edition), volume 1, page 158.

of the present system into its elements and the building up from those elements of an entirely new system.

The notion that it is possible to expand an economic system of a given pattern to an unlimited size receives no support whatever from history.* On the contrary, it seems more than probable that economic systems are subject to the same limiting principle in this respect as are all other structures. The principle was expressed by Galileo over three hundred years ago in the following terms: Neither can man build a house, nor nature construct an animal or plant, beyond a certain size while retaining the same proportions and employing the same materials as sufficed in the case of the smaller structure. The thing will fall to pieces of its own accord unless we either change its relative proportions, which will at length become clumsy, monstrous and inefficient, or invent some new and stronger material than was used before and then rebuild it.

In sum, for every economic system or pattern there will be a most convenient size. To permit it to grow beyond that convenient size is to ask for trouble. This is not a new suggestion. Uncontrolled growth was given as the main cause of economic breakdown and war by Plato more than two thousand years ago.†

What grounds are there for believing that the present world economic structure has reached a critical phase in its cycle of growth? Perhaps the most impressive symptom is the recent change in trend of world population growth, particularly in the "Western" world.

According to a leading world authority, Raymond Pearl,‡ the present cycle of world population growth first got discernibly under way about the middle of the seventeenth century—say, three hundred years ago in round figures. It started from a level which may be guessed at as having lain somewhere between 400 and 500 millions—a figure only reached after a very long period of slow and irregular growth in the period prior to the Middle Ages. To-day world population exceeds the stupendous total of 2,100,000,000. In other words, there has been in roughly three hundred years nearly a fivefold multiplication of human beings on the face

* See "A Study in History," by Arnold Toynbee.

† "The Republic of Plato," translated by A. D. Lindsay, 1929, pp. 58–61.

‡ "Natural History of Population," p. 259.

of the earth. The major part of the increase occurred in the nineteenth century. During the course of a hundred years, our own population increased fourfold; that of Europe, threefold; and that of the United States, fifteenfold. Growth on this scale can never have happened before in the course of human history. Nor can human ingenuity ever have had to face before the colossal task of attempting to provide in a relatively short period of years such a vast horde of people with the necessities of life and, in many cases, something much better than the necessities of life.

How is this sharp spurt in population growth to be explained? The primary cause beyond question was the acceleration in the growth of man's *effective* "living-room" made possible by technical inventions in agriculture, industry and, most especially, transport.

By extreme specialisation, designed to alter enormously the balance of nature in ways thought to be to his *immediate* advantage, "man has encouraged an enormous growth of population entirely disproportionate in magnitude and rapidity."* Not surprisingly, having regard to past biological experience, the rate of growth of population in many areas has in due time begun to slow down under the pressure of congestion and diminishing economic opportunity. Birth-rates in nearly all the highly-developed and civilised areas (but not in the more primitive and less developed areas) are now falling, and have been falling for some time past. This decline is not, on the best evidence, wholly due anywhere to individual planning, for it is occurring even among people who do not practise deliberate birth control. According to Raymond Pearl, it must be regarded as one of the normal biological ways of reacting to the pressure of congestion.

Unfortunately, the economic systems of the principal countries of the world—and also of the central international economic system itself—have all been elaborated on the implied assumption that the flood of new entrants would continue with undiminished force for an indefinite period. Can those patterns now be changed and re-adapted to meet conditions of population stagnation, if not decline? "The adaptative regulatory process demanded by this change in the world trend of population growth will probably be the greatest

* Raymond Pearl. *Loc. cit.*

and most far-reaching the human species has ever, so far, had to undertake in its evolutionary history."

Take the economic pattern of the British Empire, with its central core—Britain—highly industrialised and densely populated, and its outskirts a ring of distant overseas agricultural areas relatively sparsely populated. Can we expect such a system to endure under the new condition? Before attempting to answer this question, let us first see precisely what is implied by the term "Economic system."

III

Economic systems have been defined as patterns for living together. Such patterns have always been in the nature of a compromise—a compromise between the natural instincts of human beings, *individually*, to fend for themselves and retain complete freedom to behave as they please, and the necessity to work *in co-operation* imposed by numbers in relation to territory.

It was growth in numbers which led relatively early in the development of our present economic system to activity being concentrated increasingly, not so much on catering for the supposedly unlimited desires of the rich, as on the twin objectives of (1) providing rapidly growing populations with the necessities of life, and (2) raising the standard of living of the poorer sections of these populations by making available to them the amenities and luxuries already enjoyed by the rich—or providing them with reasonably adequate substitutes.

The various inventions in transport assisted in this work. They permitted the widening the radius of the area to be covered so as first to include all our own national territory within a single pattern, and second to reconstitute and widen that pattern till it stretched to the four quarters of the globe. It was to the necessity of concentrating on this twofold task that our economic system principally owes its present special type of pattern. The method of expanding production generally adopted was to subdivide and specialise the processes of production into a series of ever-lengthening chains. This enabled producers to produce faster and faster—that is, more goods in a working day and for a given money wage. This is the only way in which it is possible to increase progressively both production *and* consumption—to produce goods more cheaply while maintaining, if not increasing, consumers'

money incomes. Naturally in this process of accelerating production there comes a time when production begins to overtake consumption. If technical progress continues after this point, the proportion of the population required to produce a given commodity will begin to decline. This stage was passed long ago in the agricultural areas, and, according to a recent investigation published by the International Labour Office, has been reached by industry in many of the advanced countries of to-day.

This means that if the economic system is to continue to grow, it must for ever be inventing new occupations, both for those displaced and for new additions to the population. A producer without a *job* ceases to be part of the pattern and thereby automatically loses his title to a share of the common pool.

Judging both by our own experience and that of past economic systems, there arrives a moment in the life history of every economic system when population growth begins to outstrip growth in capacity to provide jobs with as good prospects as in the past. At this point the economic system will begin to exceed its most convenient size. A number of things are then likely to happen. First, those already comfortably accommodated, in an endeavour to maintain their own and their families' existing prospects, are likely to strive to limit their growth in numbers; in our own time this has largely taken the form of conscious birth control. Gradually, the movement will spread like a wave till it affects every section of the population; associated biological forces will also work in the same direction. For a time the effectiveness of these checks may be offset by a decline in mortality rates, but ultimately total numbers will decline. There will then be less mouths to feed, fewer bodies to clothe and house.

What effect will this decline have on the economic system as a whole? It will mean that demand for many of the more important sections of its output—those concerned with producing basic necessities for the new additions to the population—will first cease to expand, will then slow down, and finally will decline absolutely. The economic system can then only continue to survive as a *single* economic pattern if the energies previously devoted to expanding the output of necessities can be diverted *in time* to the work of raising the standard of living of those already born.

IV

An economic system, it is vital to appreciate, is something *organic*, not a mere collection of industries and occupations with independent sovereignties of their own. It is based on a tacit agreement between its members to give up their rights as individuals to make separately all their own requirements so that they may enjoy the greater wealth that will accrue from co-operation in a single *common* pattern of economic development. If the system is not to break down, each participating group must loyally abide by the general understanding and stick to the task allocated to it. Those who grow food, for example, must not compete to do the work of those providing, say, industrial manufactures. The successful operation of the whole arrangement depends upon the various sets of activities being kept separate and distinct and treated as *complementary* contributions to a common pattern. For if the food group are allowed also to begin to make their own manufacturing requirements, then the manufacturing group will find its contribution of manufactures to the common pool no longer acceptable as an exchange for food. The co-operative working arrangement will then break down.

Naturally in a young system with a growing population, still small relative to the area and resources available for expansion, the effects of departures from the common understanding can be quickly eliminated by the natural expansion of the arrangement as a whole. If one food area decides to provide its own manufacturing needs, it can be allowed to break away from the system and a new—but undeveloped—food area can be put in its place in the pattern. So frequent, indeed, did this happen in the nineteenth century that most people entirely forgot that any form of " union " loyalty was essential to the successful operation of the economic system as a whole.

But suppose that growth in the system as a whole begins to slow down, what then? Surely a breakaway must lead to a disruption of the common pattern?

Instead of working together to expand a *mutual* pool, producers will begin increasingly to fight amongst themselves by offering for exchange the *same* goods in an inelastic market. Triangular trade will not help if the condition is at all general throughout the pattern; for the third country also will find it difficult to send in exchange to the first country goods which

the latter does not either already make for itself or import in ample quantities from elsewhere. The serious plight of the agricultural primary producing countries to-day, many of whose products are selling well below pre-war prices despite a fall of about a third in the purchasing power of sterling, is an obvious result of this condition.

If the economic theorists were indeed right, and human needs really were infinite, then the way out would be to allow the agricultural areas to take over the manufacture of the simpler types of industrial products and the manufacturing countries to concentrate on the more complex types and the introduction of new luxuries. But even if this way out were available, it would require, if it were to be in time to avert breakdown, a quite exceptional acceleration in both the rate of new invention and in the rate at which consumers are habitually prepared to alter their traditional habits of consumption.

Whether we like it or not, the main economic task of the world to-day seems to be not to seek to gratify the supposedly infinite variety of needs of the rich, but to help the poor to enjoy some of the amenities *already* enjoyed by the better off. This is largely a problem of redistributing space and opportunities and providing *existing* goods at lower prices or *cheap substitutes* for them, not of developing the higher grades or new needs. This redistribution progressively eats into the space, amenities and purchasing power of the rich.

Since the self-destructive aspects of the above structural changes have never been appreciated, it is not surprising that a breakdown has occurred. Our present economic system, like the houses and public buildings of primitive peoples—before the laws of architecture were discovered—has been built by a process of trial and error. Like the builders in primitive times also, it was assumed that a given economic structure or pattern could be expanded without limit to size.

Too late, after the building has fallen about our ears, we, like they, have learned our mistake. Nowadays the agricultural sections of the international pattern are rapidly industrialising themselves, while the industrial, in so far as their internal conditions permit, have been reviving their long-abandoned agricultures. Outside this, the new avenues of employment which are being provided are not in the main in manufactured goods or items susceptible to *international* interchange, but in home services and social amenities.

V

How widespread and deep-seated are the fissures in the traditional system?

The size of the geographical area covered by the economic pattern is a highly material factor in determining the answer to be given to this question. If international specialisation has been taken to the point at which, say, the agricultural and primary producing sections of the central economic pattern are located in entirely distinct geographical areas from, say, the industrial and secondary sections, it will be far harder to regain control, once their relative rates of growths have got out of step, than if they were both situated within the same geographical—and political—area. What is the present position in this respect?

The population of the world is distributed with great unevenness over its land surface. Nearly 60 per cent. of the total land area of the world is occupied by only 4½ per cent. of the total population of the world. Without substantial "redistribution" of the means of subsistence from the places where they are produced to the places where they are used, something over one-half of all human beings could not go on living at all. Further, as we learned to our cost in the late war, this transport must never cease if starvation is to be avoided.

What has been the main cause of this geographical mal-distribution? Mainly the circumstance that the progressive development of new knowledge, improved technique and the fuller application of power and machinery has produced diametrically opposite results in the fields of agriculture and industry respectively. Agricultural areas—and for the same reason mining areas—have needed progressively less dense populations in their regions and in their businesses. Accordingly, quite apart from any decline in the rate of demand for food on the part of the food-consuming areas due to a fall in population growth, there has been a long-term tendency operating to drive the young not needed in the agricultural and mining areas to seek other occupations with greater opportunities. On the other hand, precisely the same forces of technical advance have led to a progressively increasing concentration of population into urban manufacturing areas. Even to-day, the tendency still is for population density to fall in agricultural regions—already the most sparsely peopled portions of the

earth's surface capable of supporting any population at all—and for over-crowding to increase in the already densely-populated urban industrial centres.

This latter over-crowding has not only led to a fall in fertility and population growth in industrial centres, and so to a fall in the rate of growth of their demand for supplies of food and other primary materials from the agricultural areas, but also to a rise in domestic costs, public debt, distribution and standing charges. Prices of most agricultural raw materials, on the other hand, have declined precipitously.

As a result, the relation between the prices of primary goods and secondary goods has undergone, in modern times, a radical change to the disadvantage of the former.

Is it surprising that under the triple pressure of a lack of expanding openings in primary occupations, a slackening in the demand, and unremunerative prices for their produce, the economic loyalties of the peoples of the agricultural areas have been strained past breaking-point; that they have increasingly turned to the setting up of local secondary industries of their own in order to provide work for their people? This must not, of course, be taken to imply that the above have necessarily been the determining factor in all cases, but only that, even had no other circumstances intervened, the same result was bound to have followed sooner or later under the pressure of natural forces.

Can anything now be done to reverse this movement? Wherever we turn—Canada, Australia, New Zealand, Argentine, Brazil, India or the Far East—the answer appears the same. We may perhaps be able to do something to check, control and rationalise its consequences by means of tariffs, preferences, quotas and international understandings; but we cannot stop it altogether, much less cause it to retrace its steps.

Our own national awareness of these drastic world changes has been in part obscured by the circumstance that we still receive annually on an average the equivalent of nearly 40 per cent. of our normal imports in the form of interest on past investments, shipping and other " invisible " services—that is to say, we are saved from the need of having to provide in payment for our import needs the equivalent of some £350,000,000 of exports. Even so, we are failing to balance our international account, and the deficit has shown signs of increasing year by year. The volume of our exports to-day

is not only substantially lower than in 1913, but has been declining progressively, the level in each new peak year being below that of its predecessor. Even its value in 1937 was no higher than pre-war. On the other side of the account, the stagnation of our population, and the aids given to domestic agriculture, have meant a slowing down in the rate of growth of our food import needs.

The diagnosis so far has been confined principally to the highly-developed and socially-advanced peoples which are now growing at such slow rates that they are more likely to decline than to grow further. There is, however, in the same world another large part of the population which is reproducing itself so rapidly that if present rates are continued these populations would double in anything from twelve to forty-six years.

Most of these rapidly-growing countries, with the notable exception of Japan, have up to now been almost wholly non-industrial in character. The vast majority live at the simpler cultural levels of the agricultural type of pursuits. Eleven of the most rapidly growing countries are in Central or South America; and apart from the U.S.S.R., the bulk of the remainder inhabit tropical or sub-tropical regions. They owe the relatively greater ease in getting their living, as compared with earlier populations in those regions, to the much wider markets that have been made available for their produce elsewhere as a result of improvements in international transport, communications and storage as well as to technical inventions in production.

The net result has been a rapid acceleration both in the number of persons seeking a livelihood and in their ability to produce, just at a time when a fall has begun in the rate of demand for their produce in traditional markets. This raises even more formidable problems than those which face the more highly-developed countries.

Local industrialisation could in most cases provide no immediate solution. Even where it is practicable the question arises: How are these poor nations to find the means for paying for the capital and plant required? Remember, advanced industrial countries like our own, with stagnant, if not declining, populations, are likely for some time to come to have their markets glutted with offers from the other overseas countries not yet adjusted to the new world condition, of most of the primary raw materials and foods at extremely low prices.

To change over these less developed areas from the production of specialised " international " commodities to self-subsisting agriculture is no less difficult.*

But there can be no going back. Economic systems are irreversible.

Many may feel surprised that a world crisis of the magnitude indicated could have supervened apparently without prior warning. But it is natural for human nature to be optimistic. As a well-known scientist recently observed: " Human nature has a curious trait of gambling against the law of cause and effect. We always hope that the fate which befell our predecessors will pass us by. Babylon, Egypt, Rome, Spain, all traversed the same track; and to-day we follow in their footsteps, hoping to reach some different goal."

" The specific causes of the collapse of once dominant races are doubtless varied, but there is general agreement that one universal factor in disintegration is complexity, an aspect of over-specialisation. The units of an empire, be they individuals or factions, tend to work together in harmony during the period of upward struggle; but when a position of dominance is won, they continue to struggle. When there are no new worlds to conquer they begin to fight among themselves. Selfish aims replace patriotic ones, and the community becomes discordant."

" Those who deny that human institutions are subject to the laws of organic evolution know either no history or no palæontology."†

ROY GLENDAY.

August 1st, 1939.

* The *world* problem of population and area is: " How can forty-one persons be maintained, not in peace, and comfort, and happiness, but just maintained at all, for every square mile of land surface of this globe—good, bad and indifferent land together?" This figure, which works out at only about 16 acres per man, woman and child, is, of course, a purely statistical average; but it is not entirely meaningless on a world view, when it is remembered not only that probably only half the land is good for anything but that all the means of human living are derived directly or indirectly from the inexpansible earth and the energy from the sun's rays—and that nearly a fifth of the total population of the world is still growing at the rapid rate of 2 per cent. per annum and upwards.

† Professor H. L. Hawkins, President of the Geological Section, British Association, 1936.

Economic Conditions at Home and Overseas

Apart from holiday interruptions in certain districts, business activity continues to expand, and the slight check noticeable in June has been followed by further progress. The total number of insured workers, including those engaged in agriculture, was 12,912,000 in July, compared with 11,969,000 in June, and 11,371,000 in July last year. Unemployment has fallen during the past year from 1,773,000 to 1,256,000. Of this latter total 506,000 had been without work for less than six weeks.

The heavy industries remain very active. June steel production was only 1,176,000 tons, compared with 1,218,000 tons in May, and holiday stoppages may affect the July returns. The industry is now working nearly at capacity, and occasional stoppages are necessary for purposes of overhaul and repair. Rearmament is the main cause of this activity, which is common to all districts, but Glasgow reports that civilian business is also growing. The coal trade is on the whole active, with a big industrial demand. The engineering and tool trades are equally busy. The Tyne and Wear shipyards are busy, and Clyde shipbuilders will be active for some time ahead. There is, however, a lull in new mercantile contracts. The building returns remain disappointing, for June showed a drop of 12·2 per cent. on the previous year in respect of the total value of plans passed. House-building continues to recede, but factory construction is more active than a year ago.

The further growth in employment means that the demand for consumers' goods is well maintained. The June retail trade returns admittedly showed a decrease of 3·3 per cent. compared with the previous year, but the comparison is partly vitiated by the fact that in 1938 Whitsun fell in June. Taking May and June together, so as to eliminate Whitsun disturbances, there is an improvement of 2·9 per cent. The recent growth in the note circulation to a new high record is also evidence of increased purchasing power, even though the growth is also due to other causes.

Home trade in cotton was fairly good, and Manchester reports that clearances of summer goods were satisfactory. Export business is quiet. The wool textile industry is firm and active, and top-makers are well sold ahead. Leicester states that autumn orders for boots and shoes are satisfactory, while

several large Northampton firms are now busy on army orders. There is little change in the hosiery trades.

Among more general indications, electric power consumption is well maintained. Railway goods traffics during July were not quite up to the previous month's level, but coal traffics were as good as in June. Home trade in industrial chemicals remained active. The slight July drop in wholesale prices is readily explained by the fall in wheat prices, due to heavy world supplies and prospects of a bumper Canadian crop. The June trade returns reveal some increase in imports compared with last year, but exports are keeping up well. One or two industrial reports, however, suggest that export business is being affected by the big home demand. June shipping movements revealed a further improvement, but freights are inclined to be weak, and Cardiff says that rates are barely steady.

Empire news is on the whole satisfactory. The National Bank of Australasia reports good July rains and exceptionally promising seasonal conditions throughout the Dominion. Canadian business remains good. The fall in wheat prices will add to the burden of the Federal Government arising out of its guarantee to farmers, but this year's big harvest, with the guaranteed price, will add appreciably to farm incomes. New Zealand's financial problems have been eased by the results of Mr. Nash's recent visit to London, but the redemption terms of the new loan suggest that some import restrictions will be necessary for the next five years. Rains have now fallen in most parts of India, and crop prospects are fair in many districts. South African business conditions remain satisfactory.

American business has now been improving since early June, and orders are coming forward in many industries. By the end of July steel production had risen to 60·6 per cent. of capacity, compared with only 45 per cent. in the third week of May. There has been active home and foreign buying of copper, and there has been a marked improvement in the textile trades. New orders for cotton goods placed during June were considerably greater than production, and unfilled orders at the end of the month were in excess of stocks. Retail trade was well maintained during June.

The French recovery continues to make progress. The May production index, the latest available, was 97 (1928 = 100),

compared with 95 in April and 82 in May last year. Unemployment continues to decline. June exports were Frs.3,207 millions, compared with only Frs.2,291 millions in June, 1938. Imports were Frs.4,073 millions, compared with Frs.3,811 millions. Dutch business remains stable and reasonably active. Belgium, with her dependence upon export business in capital goods, is not quite so well placed, especially as a large amount of capital expenditure now takes the form of rearmament. Germany remains as active as ever, though mainly on rearmament. The German export surplus, however, was maintained during June. Scandinavian business remains satisfactory.

In South America, ploughing and sowing of wheat, linseed and oats is proceeding actively in Argentina. General business is good, but the fall in world wheat prices will increase the cost of the guarantee to farmers financed out of the profits of the Exchange Fund. Brazilian business is quiet, but coffee shipments for the past year were in excess of those for the preceding twelve months, and exchange is firm.

Notes of the Month

The Money Market.—Conditions were fairly comfortable during July. The clearing banks were lending at their usual rate of ½ per cent. against bills, while loans against bonds were obtainable elsewhere at ⅝ per cent. Early in August, however, money became definitely less plentiful, and the rate for bond-money hardened to ⅝–¾ per cent. The explanation of this relative scarcity lay in the growth in the note circulation from £506 millions early in July to the record level of £522 millions on August 9th. Much of this growth was due to holiday withdrawals of currency by the public, and to that extent it is temporary, but there is no doubt that a larger quantity of currency is now in circulation. Expanding trade and employment, military demands, and even the fact that both the banks and the public are holding more currency than usual, in preparation for a possible emergency, all explain this expansion in the note circulation. It is now clear why the Bank of England had to reinforce its gold reserves by its purchase of £20 millions of gold early in July, for even with the £20 millions the bank's reserve was down to £25 millions on August 9th. This purchase, however, did not prevent the currency withdrawals from depleting bankers' deposits and clearing bank cash; and on August 9th bankers' deposits were only £82 millions, compared with a normal figure of about £100 millions. Thus it is easy to see why money was scarce at the beginning of August.

Rearmament expenditure caused a steady increase in the floating debt during July, and the tender issue of Treasury bills rose from £489 millions on July 8th to £510 millions four weeks later. Nevertheless, discount rates eased during July, the tender rate falling from 17s. per cent. on June 30th to 13s. 7·9d. per cent. on August 5th, and the banks' buying rate for October Treasury bills from ¾ to 9/16 per cent. The banks were ready buyers of bills during July, while the market were equally ready to sell, as they had received heavy allotments of Treasury bills during June. There was also a certain amount of special buying, and it is possible that the public departments were taking up bills. This seems to be the explanation of the July fall in discount rates.

The Foreign Exchanges.—Sterling remained steady during July at just over $4.68, and once or twice the British authorities

were able to buy a few dollars. On balance, however, they probably lost more than they gained, though the net decrease in their gold reserves was not very marked. There has also been a revival in Continental gold purchases in the London market. These were mainly made by the Dutch banks, who were covering themselves against forward gold sales in Amsterdam. The British authorities were not ready sellers, and buyers often found themselves rationed. Three months' dollars fluctuated between 1 $\frac{5}{16}$ and 1 $\frac{3}{4}$ cents premium, again with no definite trend. The autumn is now approaching, and normally the commercial demand for dollars should begin to expand. There will not, however, be the capital outflow which occurred last year, for there can now be little foreign money in London.

Canadian dollars have strengthened, as the result of heavy wheat sales. By the end of July they were quoted at a slight premium in New York.

French francs, belgas and Swiss francs have all remained steady, but there were wide fluctuations in the guilder. Early in July it improved from Fl.8·81$\frac{3}{4}$ to Fl.8·73$\frac{3}{8}$, mainly because of the liquidation of open bear positions. Dr. Colijn's failure, however, to form a new Government caused a sharp reaction to Fl.8·82 at the end of the month. At this point the Dutch authorities intervened, and fresh bear covering brought the rate back to Fl.8·79$\frac{1}{2}$. Early in August a new Government was formed, and the rate recovered to Fl.8·77.

The other major movement during July was a fresh relapse of the Chinese dollar from 6$\frac{1}{2}$d. to 3$\frac{7}{8}$d. This heavy depreciation is the inevitable consequence of the strain inflicted by the war on the Chinese foreign exchange reserves. The Japanese authorities have now raised the whole question of Chinese currency, and also that of the Chinese silver reserve held in the Concessions, in their negotiations with Great Britain. The British attitude is, *inter alia*, that this is a matter which concerns other Governments as well. Meanwhile the American authorities are continuing to buy silver from China, and this should bring some limited reinforcement to the Chinese foreign exchange reserve.

The Stock Exchange.—During most of July industrial shares responded to the more hopeful view taken of the political outlook, and also to the growing evidence of trade

recovery. The gilt-edged market, on the other hand, was weighed down by Sir John Simon's statement early in the month that defence borrowing would amount to £500 millions during the current financial year.

The result was that for the first time for several months gilt-edged stocks and equities ceased to move on parallel lines. During the four weeks to July 28th, the average price of British Government securities fell by 1·1 per cent., but home rails rose by 6·5 per cent., and industrials by 5·1 per cent. It is true that the first week of August witnessed a slight but general reaction. Holiday influences, together with new doubts on the political outlook, were an ample explanation here, while home rails were also affected by the locomotive men's new wage demands, combined with vague threats of a strike.

During July, oil shares moved irregularly. Rubber shares rose sharply after the increase in the quota, especially when it became clear that the demand for rubber was sufficient to keep the price firm in spite of the larger quota. Base metal shares improved during the month, and gold-mining shares were firmer.

In many ways the most important operation of the month was the successful arrangement for the renewal of New Zealand's 3½ per cent. loan of £17 millions, maturing at the New Year. After many weeks of negotiation a new loan was issued, embracing both a conversion and a cash offer. The new loan carries interest at 3½ per cent., and was offered at 99. It is repayable in five annual instalments, and the terms of issue embody a formal undertaking that the sterling shall be available each year to cover these instalments. Under certain conditions the holder is given the option to convert into longer-dated New Zealand stocks.

Overseas Trade.—The trade returns of recent months suggest that after falling during the last half of 1938 and early 1939, the import surplus is now beginning to grow again. Up to and including last April, the import surplus month by month was consistently lower than in the parallel month of the preceding year, but May, 1939, showed a small increase over May, 1938, and the June, 1939, increase was a little more pronounced. The fact is that after steadily shrinking during most of 1938 and early 1939, imports are now expanding again, this being the inevitable consequence of our

trade recovery and rearmament activity. The really satisfactory feature of the returns of recent months is the way in which British exports are being maintained. The present growth in the import surplus is entirely due to larger imports.

The returns for May and June, 1938 and 1939, are shown below. The import surplus for last June was £3·4 millions greater than a year ago, but British exports were £2·3 millions higher. These figures express in concrete terms the general trend described above :—

	May, 1938	June, 1938	May, 1939	June, 1939
	£ millions			
Imports	75·4	76·5	78·5	82·2
British Exports ...	38·2	36·9	42·3	39·9
Re-exports ...	7·2	5·0	5·0	4·3
Total Exports ...	45·4	41·9	47·3	44·2
Import Surplus ...	30·0	34·6	31·2	38·0

The returns of the first six months of 1939, compared with those of the previous year, are summarised below :—

Description	Jan.–June, 1938	Jan.–June, 1939	Increase (+) or Decrease (–)
	£ mn.	£ mn.	£ mn.
Total Imports	469·6	447·9	–21·7
Retained Imports	436·8	419·8	–17·0
Raw Material Imports	133·3	122·3	–11·0
Manufactured Goods Imports ...	122·2	122·0	– 0·2
Total Exports, British Goods	233·2	236·3	+ 3·1
Coal Exports	18·3	18·7	+ 0·4
Iron and Steel Exports	22·2	18·1	– 4·1
Cotton Exports	25·9	24·6	– 1·3
British Manufactured Goods Exports...	183·5	184·1	+ 0·6
Re-exports	32·8	28·1	– 4·7
Total Exports	266·0	264·4	– 1·6
Visible Trade Balance	203·6	183·5	+20·1

The half-year's returns reveal a 10 per cent. increase in the volume of retained imports of wheat, and proportionately greater increase in imports of textile raw materials. Iron ore and scrap imports have risen from 448,000 to 753,000 tons—an obvious reflection of rearmament. Imports of hides have also nearly doubled. Retained imports of crude petroleum and rubber were less than in the first half of 1938.

On the export side coal shipments were 26 per cent. larger in volume than they were in the first half of 1938, and there was a general expansion in textile exports. In spite of rearmament demands, exports of iron and steel were greater, and so were those of locomotives and motor vehicles. Machinery exports were less, while imports were greater. Here the prior needs of the home market are obviously making themselves felt.

Commodity Prices.—Despite the suggestions that rearmaments finance will cause some measure of reflation, there is no sign as yet of any tendency of prices to rise. So far as British wholesale prices are concerned, the year has been one of remarkable stability. Last January's index was 116·9 (September, 1931 = 100), while at the end of June the index stood at 117·1. July has witnessed a slight drop to 116·8. This is mainly a reflection of the further sharp fall in grain prices, attributable to the large world supplies. Metals were a little firmer on the improvement in American business, and wool prices continued their slow advance. Cotton was weaker on good American crop reports and the initiation of the American subsidy. The price of rubber was hardly affected by the enlargement of the quota, and indeed has since become firmer.

American wholesale prices also remain stable, the net movement during July being from 114·3 to 114·0 (1933–35 = 100). The American business recovery has not yet proceeded far enough to have any effect upon commodity prices.

June witnessed an increase of three points in the British official cost-of-living index, from 153 to 156 (July, 1914 = 100). This was mainly a seasonal movement, and the index for July 1st was three points lower than it was a year before. The retail food price index rose during June from 134 to 139 (July, 1914 = 100), this again being a seasonal movement. On July 1st, 1938, it was seven points higher at 146. Thus the present trend of the cost of living affords not the smallest indication of any new reflationary movement.

Home Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation	Govt. Debt	Other Govt. Securities	Other Securities	Silver Coin	Fiduciary Issue	Gold
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
" " 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
" " 1936	406·5	11·0	246·5	1·5	1·0	260·0	200·6
" " 1937	473·8	11·0	187·0	2·0	—	200·0	313·7
" " 1938	485·4	11·0	188·2	0·8	—	200·0	326·4
" " 1939	482·0	11·0	287·9	0·3	0·8	300·0	226·2
July 26, 1939	510·9	11·0	288·2	—	0·7	300·0	246·4
Aug. 2, 1939	520·6	11·0	288·3	—	0·7	300·0	246·4

Banking Department

	Public Deposits	Bankers' Deposits	Other Deposits	Govt. Securities	Discounts and Advances	Other Securities	Reserve	Proportion
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
" " 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
" " 1936	18·0	83·6	37·0	80·3	5·0	16·7	54·9	39·6
" " 1937	52·2	62·3	38·5	100·5	7·1	22·9	40·8	27·7
" " 1938	17·8	108·1	37·4	110·8	8·7	20·2	41·8	25·6
" " 1939	21·8	98·5	36·3	102·3	4·8	22·5	45·2	28·9
July 26, 1939	26·0	91·4	36·7	106·5	8·0	21·5	36·1	23·4
Aug. 2, 1939	23·3	89·6	36·2	112·6	6·9	21·2	26·5	17·7

LONDON CLEARING BANKS (monthly averages)

	Deposits	Acceptances, Guarantees, etc.	Cash	Balances and Cheques	Call and Short Money	Bills	Investments	Advances
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
" 1932	1,676·4	98·7	174·0	43·3	112·5	216·8	281·9	902·1
" 1934	1,830·6	112·8	218·9	43·5	120·4	202·5	547·1	753·0
" 1936*	2,108·3	105·2	216·7	53·8	162·4	252·0	635·1	849·2
" 1937*	2,244·2	122·5	225·8	62·7	169·8	247·8	667·4	934·4
" 1938*	2,253·7	112·0	244·2	59·1	150·4	238·6	634·0	995·2
May, 1939*	2,166·8	127·3	236·1	61·6	143·5	200·7	604·5	988·0
June, 1939*	2,218·8	124·4	235·2	64·2	149·8	248·6	600·2	987·3

* Includes the District Bank.

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing	Metropolitan Clearing	Country Clearing	Total
	£ mn.	£ mn.	£ mn.	£ mn.
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1935	32,444	1,887	3,229	37,560
1936	35,039	2,040	3,538	40,617
1937	36,719	2,162	3,805	42,686
1938	33,862	2,075	3,673	39,610
1938 to Aug. 3	20,074	1,262	2,199	23,535
1939 to Aug. 2	17,986	1,229	2,216	21,431
1938 July (5 weeks) ...	3,410	212	353	3,975
1939 July (5 weeks) ...	3,069	212	381	3,662

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1929	Mar., 1932	Mar., 1936	Mar., 1937	Mar., 1938	June, 1938	Mar., 1939	May, 1939	June, 1939
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham.	11·9	9·0	10·7	11·3	10·6	9·9	10·6	9·6	9·9
Bradford ...	5·9	3·4	4·7	4·6	3·6	3·2	3·8	3·5	3·5
Bristol ...	5·3	4·9	5·5	5·5	5·9	5·2	5·8	5·9	6·3
Hull ...	4·0	3·0	3·4	4·0	4·0	3·2	3·6	3·1	3·4
Leeds ...	4·4	3·8	3·9	4·8	4·3	3·5	4·7	3·6	3·9
Leicester ...	3·6	3·1	3·1	3·3	3·3	2·8	3·3	3·0	2·8
Liverpool ...	34·2	25·6	27·5	35·8	35·8	22·4	22·9	20·4	22·9
Manchester .	58·0	42·5	44·9	50·7	44·0	35·4	43·2	41·0	38·3
Newcastle-on-Tyne ...	6·5	5·7	5·7	6·3	6·9	5·9	7·1	6·5	6·4
Nottingham.	2·8	1·9	2·1	2·3	2·3	1·9	2·2	2·2	2·0
Sheffield ...	4·6	3·3	4·3	6·0	4·8	4·3	4·9	4·4	4·3
	141·2	106·2	115·8	134·6	114·5	97·7	112·1	103·2	103·7

LONDON AND NEW YORK MONEY RATES

	London					New York		
	Bank Rate	Treasury Bills: Tender Rate	Treasury Bills: Market Rate	3 Months' Bank Bills	Short Loans	F.R.B. Re-discount Rate	Call Money	Acceptances
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March, 1931	3	2 17/32	2 9/16–2 5/8	2 9/16–2 5/8	2–2½	2	1½	1⅝
" " 1932	3½	2 5/32	1 7/8	2½–2¼	2–3	3	2½	2½
" " 1934	2	29/32	7/8	1⅝	¾–1	1½	1	⅞
" " 1936	2	17/32	½	17/32–9/16	½–1	1½	½	9/16
" " 1937	2	½	½	9/16	½–1	1½	1	5/8
" " 1938	2	½	½	17/32–9/16	½–1	1	1	½
June 28th, 1939	2	27/32	¾	¾	½–1	1	1	½
Aug. 2nd, 1939	2	29/32	11/16	11/16	½–1	1	1	½

FOREIGN EXCHANGES

London on	1937	1938	1939				
	Aug. 4	Aug. 3	July 5	July 12	July 19	July 26	Aug. 2
New York—							
(*a*) Spot ...	4.98 1/16	4·89⅛	4·68⅛	4·68 3/16	4·68¼	4·68 5/32	4·68⅛
(*b*) 3 months	1/32c. pm.	1/16c. pm.	2c. pm.	1/32c. pm.	1/16c. pm.	1/32c. pm.	1/32c. pm.
Montreal ...	4·98 1/16	4·91⅜	4·69⅜	4·69	4·68 13/32	4·68⅜	4·68 3/16
Paris—							
(*a*) Spot ...	132 25/32	178 13/32	176 23/32	176 23/32	176 23/32	176 23/32	176 23/32
(*b*) 3 months	Fr.2 3/8 dis.	Fr.3 1/16 dis.	Fr. 7/32 dis.	Fr. 9/32 dis.	Fr. 5/16 dis.	Fr. 3/8 dis.	Fr. ½ dis.
Berlin—							
(*a*) Official ...	12·37½	12·20	11·66½	11·66½	11·67	11·66½	11·66½
(*b*) Registered Marks	43¼% dis.	54% dis.	65½% dis.	65½% dis.	65¾% dis.	65⅝% dis.	65½% dis.
Amsterdam ...	9·03	8·96½	8·81 13/32	8·81 13/32	8·74½	8·75½	8·80½
Brussels ...	29·59	28·92½	27·53½	27·55	27·56	27·55½	27·55½
Milan	94 1/16	92 1/16	89	89 1/32	89 1/32	89 3/32	89
Zurich ...	21·68½	21·41	20·76½	20·77	20·76	20·75	20·75
Stockholm ...	19·39½	19·39½	19·42	19·41	19·41	19·40½	19·41
Madrid ...	85*	150*	42¼‡	42¼‡	42¼‡	42¼‡	42¼‡
Buenos Aires—							
(*a*) Export ...	15	15	15	15	15	15	15
(*b*) Import†	16	16	17	17	17	17	17
(*c*) Free ...	16·48	18·78	20·20	20·29	20·31	20·26	20·26
Rio de Janeiro—							
Official Buying	56$400	84$700	77$240	77$240	77$270	77$250	77$240
Official Selling	—	86$200†	—	—	—	—	—
Free Selling...	74$740	—	93$700†	93$630†	93$400†	93$400†	93$500†
Valparaiso ...	131·50*	125*	117*	117*	117*	117*	117*
Bombay ...	18½d.	17 1/16d.	17 7/16d.	17 7/16d.	17 7/16d.	17 29/32d.	17 29/32d.
Hong Kong ...	14 1/32d.	15d.	14 1/32d.	14 1/32d.	14 3/32d.	14 1/16d.	14 1/32d.
Kobe	1/1 3/32	1/2	1/2	1/2	1/2	1/2	1/2
Shanghai ...	14 1/32d.	8½d.	6 5/16d.	6 9/16d.	5 7/16d.	4½d.	4 3/32d.
Gold Price ...	139s. 6½d.	142s. 0½d.	148s. 6½d.	148s. 6d.	148s. 6d.	148s. 6½d.	148s. 6½d.
Silver Price ...	20d.	19 7/16d.	18d.	16 5/16d.	16 3/32d.	16 1/16d.	16 1/16d.

* Nominal.
‡ Official rate, seller.
† Excluding tax on remittances.
n.q.=no quotation.

PUBLIC REVENUE AND EXPENDITURE

	1935–6	1936–7	1937–8	1938–9	1938–9 to July 30	1939–40 to July 29
REVENUE—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Income Tax	238·1	257·2	298·0	335·9	28·2	27·2
Sur-Tax	51·0	53·6	57·1	62·5	7·1	7·8
Estate Duties	87·9	88·0	89·0	77·4	27·0	28·6
Stamps	25·8	29·1	24·2	21·0	6·6	6·1
National Defence Contribution	—	—	1·4	21·9	3·1	7·6
Customs	196·6	211·3	221·6	226·3	72·7	82·4
Excise	106·7	109·5	113·7	114·2	36·3	36·8
Motor Vehicle Duties (Exchequer Share) ...	5·0	32·7*	34·6*	35·6*	6·5	6·6
Other Tax Revenue	2·1	1·7	1·7	1·6	0·3	0·3
Total Tax Revenue	713·2	783·1	841·3	896·4	187·8	203·4
Post Office (Net Receipts) ...	11·7	11·0	10·5	9·6	3·9	4·1
Post Office Fund	—	—	0·8	1·4	—	—
Crown Lands	1·4	1·4	1·3	1·3	0·5	0·5
Receipts from Sundry Loans	4·9	4·5	5·2	5·7	1·5	1·5
Miscellaneous Receipts ...	21·7	24·5	13·5	12·9	2·0	1·7
Total Non-Tax Revenue ...	39·7	41·6	31·3	30·9	7·9	7·8
Total Ordinary Revenue ...	752·9	824·7	872·6	927·3	195·7	211·2
Post Office	66·1	71·9	76·1	78·9	24·2	24·7
Road Fund	25·8	—	—	—	—	—
Total Self-balancing Revenue...	91·9	71·9	76·1	78·9	24·2	24·7
EXPENDITURE—						
National Debt Interest ...	211·5	210·9	216·2	216·8	87·5	89·3
Payments to N. Ireland ...	7·2	8·0	8·9	9·5	2·3	2·3
Other Cons. Fund Services...	5·7	3·2	3·1	4·8	1·2	3·2
Post Office Fund	1·1	0·4	—	—	—	—
Supply Services	512·0	594·7*	605·0*	695·7*	228·2	258·0
Total Ordinary Expenditure ...	737·5	817·2	833·2	926·8	319·2	352·8
Issues from Defence Loans ...	—	—	64·9	128·1	—	43·5
Sinking Fund	12·5	13·1	10·5	13·2	—	—
Self-balancing Expenditure (as per contra)	91·9	71·9	76·1	78·9	24·2	24·7

* Motor Vehicle Duties apportioned to Road Fund, treated as self-balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

PRODUCTION

	Coal	Pig-Iron	Steel
	Tons mill.	Tons thous.	Tons thous.
Total 1913	287·4	10,260	7,664
„ 1925	243·2	6,262	7,385
„ 1929	257·9	7,589	9,636
„ 1930	243·9	6,192	7,326
„ 1931	219·5	3,773	5,203
„ 1932	208·7	3,574	5,261
„ 1933	207·1	4,136	7,024
„ 1934	221·0	5,969	8,850
„ 1935	222·9	6,426	9,842
„ 1936	228·5	7,686	11,705
„ 1937	241·2	8,497	12,964
„ 1938	228·1	6,763	10,394
Total to June, 1938	116·9	4,005	5,926
Total to June, 1939	118·3	3,637	6,406

BOARD OF TRADE PRODUCTION INDEX NUMBER *
(1930 = 100)

	Complete Year		1938				1939
	1937	1938	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
Mines and Quarries	99·8	93·9	104·0	89·3	86·0	96·4	100·6
Iron and Steel	166·6	131·5	168·4	131·6	106·4	119·8	149·1
Non-Ferrous Metals	165·3	146·2	153·3	147·4	142·8	141·4	139·7
Engineering and Shipbuilding	136·3	128·9	132·7	128·8	124·6	129·5	135·1
Building Materials and Building	153·2	145·4	146·1	152·5	148·0	134·8	127·6
Textiles	129·6	111·1	116·9	106·4	106·5	114·0	120·7
Chemicals, Oils, etc.	124·5	116·3	121·7	112·9	110·9	119·5	121·6
Leather and Boots and Shoes	111·9	104·8	111·6	102·2	97·9	107·4	119·2
Food, Drink and Tobacco ...	119·9	121·4	116·0	123·5	122·7	123·4	118·5
Total†	132·8	124·1	132·1	121·7	117·0	126·0	131·3

* Revised quarterly by the Board of Trade.
† Includes paper and printing, gas and electricity, rubber, cement and tiles.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date	1929	1931	1932	1934	1935	1936	1937	1938	1939
End of—									
January	12·3	21·5	22·4	18·6	17·6	16·2	12·4	13·2*	14·3*
February	12·1	21·7	22·0	18·1	17·5	15·3	12·0	13·1*	13·4*
March	10·0	21·5	20·8	17·2	16·4	14·2	11·6	12·7*	12·3*
April	9·8	20·9	21·4	16·6	15·6	13·6	10·5	12·7*	11·6*
May	9·7	20·8	22·1	16·2	15·5	12·8	10·7	12·8*	10·6*
June	9·6	21·2	22·2	16·4	15·4	12·8	10·0	13·2*	9·7*
July	9·7	22·0	22·8	16·7	15·3	12·4	10·1	12·9*	
August	9·9	22·0	23·0	15·5	14·9	12·0	9·9	12·6*	
September	10·0	22·6	22·8	16·1	15·0	12·1	9·7	12·8*	
October	10·3	21·9	21·9	16·3	14·5	12·0	10·1*	12·7*	
November	10·9	21·4	22·2	16·3	14·5	12·0	10·9*	13·0*	
December	11·0	20·9	21·7	16·0	14·1	12·0	12·1*	12·9*	

* New Basis.

(b) Actual Numbers Employed and Unemployed (in thousands)

	Mar., 1932	Mar., 1936	Mar., 1937	Mar., 1938	June, 1938	Mar., 1939	May, 1939	June, 1939
Number employed ...	9,549	10,689	11,310	11,399	11,333	11,586	11,838	11,969
Wholly unemployed	2,129	1,551	1,330	1,356	1,284	1,429	1,234	1,099
Temporarily stopped	427	240	170	338	478	231	198	196
Normally in casual employment ...	104	88	76	70	68	67	60	55
Total unemployed	2,660	1,879	1,576	1,764	1,830	1,727	1,492	1,350

RAILWAY TRAFFIC RECEIPTS

	Five weeks ended				Aggregate for 30 weeks			
	July 31, 1938		July 30, 1939		1938		1939	
	Passengers	Goods	Passengers	Goods	Passengers	Goods	Passengers	Goods
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	1·67	1·38	1·45	1·65	6·44	8·92	6·23	9·45
London & North Eastern*	2·40	2·45	2·24	2·84	9·87	16·85	9·63	17·25
London Midland & Scottish	3·94	3·14	3·47	3·69	15·47	21·41	14·82	22·14
Southern	2·23	0·45	2·08	0·49	9·65	2·75	9·52	2·81
Total	10·24	7·42	9·24	8·67	41·43	49·93	40·20	51·65

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	June, 1936	June, 1937	June, 1938	May, 1939	June, 1939
By CATEGORIES : Great Britain	%	%	%	%	%
Total	+ 4·7	+ 4·8	+ 8·6	+ 9·1	− 3·3
Food and Perishables	+ 8·5	+ 4·5	+10·2	+ 8·9	− 2·4
Other Merchandise	+ 0·8	+ 5·0	+ 6·9	+ 9·4	− 4·3
of which Piece-goods*	+ 5·0	+ 2·6	− 1·5	− 6·0	− 2·2
(i) Household Goods ...	+ 9·9	+ 2·0	Nil	− 1·8	+ 4·0
(ii) Dress Materials	+ 3·1	+ 2·3	− 2·3	− 7·8	− 5·5
Women's Wear*	+ 1·3	+ 5·9	+11·9	+12·0	− 4·3
(i) Fashion Departments ...	+ 3·8	+10·9	+13·6	+12·9	− 2·7
(ii) Girls' and Children's Wear	− 6·5	+ 8·6	+16·6	+23·1	− 9·9
(iii) Fancy Drapery	− 0·1	− 0·5	+ 9·0	+ 4·0	− 3·5
Men's and Boys' Wear	− 2·1	+ 9·5	+ 1·2	+14·7	− 4·0
Boots and Shoes	− 4·1	+ 8·2	+12·3	+23·7	− 6·6
Furnishing Departments ...	+ 2·4	+ 3·4	− 1·1	− 0·7	− 5·1
Hardware	+ 4·1	+ 5·9	− 7·1	− 2·2	+ 3·0
Fancy Goods	− 0·5	+ 6·0	+ 3·3	+ 3·6	− 1·3
Sports and Travel	− 2·0	− 0·6	− 5·8	− 2·3	− 5·8
Miscellaneous and Unallocated...	+ 5·9	− 5·7	+17·7	+10·2	− 8·0
By AREAS—					
All Categories—					
Scotland	+ 6·1	+ 2·6	+ 9·6	+ 9·4	+ 1·1
North-East	—	+ 2·9	+ 9·7	+11·7	− 4·6
North-West	—	+ 2·8	+ 9·4	+10·9	− 3·5
Midlands & South Wales ...	—	+ 6·8	+ 9·2	+13·5	− 2·5
South of England	+ 5·9	+ 6·0	+10·6	+10·7	− 1·6
London, Central & West End	+ 4·1	+ 7·9	− 3·7	− 4·2	− 7·4
London, Suburban	+ 5·2	+ 3·6	+12·3	+ 8·7	− 4·8

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date	Imports				Exports			
	Food	Raw Materials	Manufactured Goods	Total	Food	Raw Materials	Manufactured Goods	Total
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1929	44·6	28·3	27·9	101·7	4·6	6·6	47·8	60·8
1930	39·6	20·9	25·6	87·0	5·3	5·3	36·7	47·6
1931	34·7	14·4	21·8	71·8	3·0	3·9	24·3	32·6
1932	31·1	13·7	13·1	58·5	2·7	3·6	23·0	30·4
1933	28·3	15·0	12·6	56·3	2·4	3·8	23·4	30·6
1934	28·9	17·5	14·3	61·0	2·5	4·0	25·4	33·0
1935	29·6	17·7	15·4	63·0	2·6	4·4	27·4	35·5
1936	31·9	20·7	17·7	70·7	3·0	4·3	28·4	36·7
1937	36·0	26·3	22·9	85·7	3·2	5·4	33·7	43·5
1938	35·9	20·6	19·5	76·7	3·0	4·7	30·4	39·2
June, 1938	38·5	19·4	18·1	76·5	2·7	4·5	28·8	36·9
June, 1939	36·1	22·1	23·3	82·2	3·4	5·2	30·5	39.9

SOME LEADING IMPORTS

Date	Wheat	Iron Ore and Scrap	Raw Cotton	Raw Wool	Hides, Wet and Dry	Wood Pulp	Rubber	Iron and Steel Manufactures
Monthly Average—	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1929	9,314	480	1,283	678	98	137	330	235
1930	8,731	363	1,011	652	108	128	326	243
1931	9,952	185	989	707	106	122	237	237
1932	8,803	159	1,048	765	105	153	176	133
1933	9,366	234	1,169	793	120	162	189	81
1934	8,552	392	1,052	657	116	187	395	114
1935	8,435	415	1,060	720	141	185	325	96
1936	8,401	587	1,289	762	157	198	116	124
1937	8,074	669	1,382	653	157	149	254	170
1938	8,471	497	1,006	735	124	135	314	112
June, 1938	10,051	448	691	886	100	121	343	61
June, 1939	11,180	753	806	980	162	171	233	200

SOME LEADING EXPORTS

Date	Coal	Iron and Steel	Machinery	Cotton Yarns	Cotton Piece-Goods	Woollen Tissues	Worsted Tissues	Motor Cars
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1929	5,022	365	47	11·8	306	9,016	3,490	1,991
1930	4,573	263	40	11·1	201	6,587	2,893	1,602
1931	3,563	165	27	11·4	143	4,694	2,479	1,429
1932	3,242	157	25	13·9	183	4,461	2,358	2,246
1933	3,256	160	23	15·8	169	5,110	2,741	2,821
1934	3,305	188	28	10·9	166	5,745	2,772	2,904
1935	3,226	193	32	11·8	162	5,934	3,205	3,659
1936	2,878	184	32	12·6	160	6,523	3,304	4,268
1937	3,363	215	37	13·3	160	6,653	3,583	4,468
1938	2,988	160	38	10·2	115	4,910	2,631	3,677
June, 1938	2,908	151	40	8·4	96	3,440	2,340	3,140
June, 1939	3,681	162	34	9·1	112	4,427	2,528	4,431

PRICES

1. WHOLESALE PRICES

Date	Index Number (Sept. 16th, 1931 = 100)				
	U.K.	U.S.A.	France	Italy	Germany
Average 1929	150·9	139·4	141·3	146·0	126·1
1932	103·5	89·3	92·0	93·1	88·7
1933	103·5	93·7	87·7	86·6	85·7
1934	106·4	111·1	83·1	84·2	90·4
1935	108·1	120·3	78·4	97·2	93·5
1936	116·2	121·4	90·6	112·5	95·6
1937	134·6	131·5	127·0	133·3	97·3
1938	121·5	117·7	144·2	143·3	97·1
End June, 1938 ...	120·2	117·6	147·3	143·8	96·9
„ July, 1938 ...	122·3	118·3	147·8	142·7	97·3
„ June, 1939 ...	117·1	114·3	154·8	147·1	98·4
„ July, 1939 ...	116·8	114·0	153·7	147·0	98·5

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistiche Reichsamt.

2. RETAIL PRICES (cost of living)

Date	Food	Rent (including Rates)	Clothing	Fuel and Light	Other Items included	All Items included
End of 1929 ...	57	52	115	75	80	66
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70–75	70–75	42
1933 ...	24	56	85	70–75	70–75	42
1934 ...	25	56	85–90	70–75	70–75	44
1935 ...	31	58	85	75	70	47
1936 ...	36	59	90–95	75–80	70	51
1937 ...	45	59	90–110	80–85	75	59
1938 ...	38	61	105–110	80–85	75	55
End June, 1938...	46	60	110	75–80	75	59
„ May, 1939...	34	62	105–110	75–80	75–80	53
„ June, 1939...	39	62	105–110	80	80	56

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date	Wheat No. 1 N. Manitoba	Sugar Centrifugals U.K.	Cotton American Middling	Wool 64's tops avge.	Pig-Iron Cleveland No. 3	Tin, Standard Cash	Rubber Plantation Sheet
	per qr.	per cwt.	per lb.	per lb.	per ton	per ton	per lb.
	s. d.	s. d.	d.	d.	s. d.	£	d.
Average 1929 ...	54 0¾	9 0½	10·29	38⅞	70 4¼	203 1/16	10¼
1932 ...	30 6¼	5 9½	5·29	22 1/16	58 6	136 5/16	2 1/16
1933 ...	28 2	5 4	5·53	28 5/16	62 3	194 3/16	3¼
1934 ...	30 11	4 8½	5·66	30 3/32	66 10½	230	6 3/16
1935 ...	34 3½	4 8	6·69	28	67 10	225 1/8	5 3/32
1936 ...	38 0	4 8¾	6·67	32 1/16	73 0	204 1/8	7 3/32
1937 ...	53 11¼	6 4¾	6·37	35 9/16	91 10	243 7/16	9⅜
1938 ...	43 2	5 5	4·92	26	109 0	189⅜	7 3/16
July, 1938 ...	41 7½	5 3⅜	5·01	25 21/32	109 0	193 11/32	7 15/32
June, 1939 ...	28 7¾	7 7¼	5·72	24 15/32	99 0	228 1/16	8 7/32
July, 1939 ...	26 9	7 7½	5·46	25 7/32	99 0	229 9/32	8¼

Overseas Statistics

AUSTRALIA

	1935*	1936*	1937*	1938*	April, 1938	May, 1938	April, 1939	May, 1939
Wool (million lbs.)	971·0	976·7	1015·0	938·0†	—	—	—	—
Wheat (million bushels)	144·2	150·5	188·4	155·0†	—	—	—	—
Imports (£A millions)	104·7	113·5	139·6‡	125·3§	10·5	10·9	12·2	8·8
Exports (£A millions)	124·4	148·5	141·7‡	123·0§	12·5	11·8	12·5	9·4
Trade Union Unemployment Returns (Commonwealth)	14·0%	10·6%	8·5%	—	—	8·6%	—	—
Wholesale Prices (Sydney Price Index Base 1911 = 100)	Dec., '35 156	Dec., '36 163	Dec., '37 166	Dec., '38 164	168	169	165	161
Cost of Living (Commonwealth Statistician Food & Groceries Base 1923–27 = 100)	Dec., '35 80·9	Dec., '36 85·0	Dec., '37 85·9	Dec., '38 91·0	86·9	87·8	93·9	91·9
Note Circulation (£A millions) ‖ ...	47·6	47·4	48·2	49·4	51·0	49·0	48·5	47·5
Commercial Bank Deposits (£A millions)¶	June, '35 289·0	June, '36 286·9	June, '37 308·4	June, '38 315·1	321·7	320·6	323·0	322·5
Commercial Bank Advances £A millions)¶	June, '35 252·0	June, '36 261·2	June, '37 259·2	June, '38 284·9	283·5	284·0	289·7	290·9

* Except where otherwise stated the figures relate to the years ending June 30th, 1936, 1937, 1938, and 1939, respectively.
† Estimated figures. ‡ Preliminary figures.
§ Twelve months ended May, 1939 (preliminary figures).
‖ Monthly average for year quoted. ¶ Average of weekly figures.

CANADA

	1935	1936	1937	1938	April, 1938	May, 1938	April, 1939	May, 1939
Industrial Production :—								
General Index (1926 = 100)	103·6*	114·4*	126·8*	114·6*	114·2	112·5	119·1	123·3
Newsprint (thousands) (short tons) ...	2,765	3,225	3,674	2,625	200·8	207·7	220·8	250·0
Steel (thousands) (long tons)	942	1,116	1,403	1,156	116·4	114·9	99·8	121·4
Automobiles and Trucks (thousands)...	173	162	207	166	18·8	18·1	16·9	15·7
Imports ($ millions)	550·3	635·2	808·9	677·5	48·9	67·1	41·9	72·9
Exports ($ millions)	838·3	1027·9	1114·5	956·7	56·2	72·8	56·5	94·9
Employment Index (1926 = 100) ...	94·4*	103·7*	114·2*	111·9*	111·2	111·5	111·1	110·3
Wholesale Prices (1926 = 100)	72·1*	74·6*	84·5*	78·6*	82·3	80·3	73·4	73·7
Cost of Living (1926 = 100)	79·3*	80·8*	83·0*	84·0*	84·2	84·1	82·9	83·1
Gold Reserve—Bank of Canada ($ mill.)	154·6	179·7	182·0	181·0	180·7	181·3	205·6	205·9
Note Circulation :—								
Bank of Canada ($ millions)	48·9	64·0	90·6	105·9	101·9	102·1	109·4	110·8
Chartered Bank Deposits ($ millions) ...	2,476	2,668	2,840	2,892	2,884	2,880	3,050	3,080

* Monthly averages.

INDIA

	1935	1936	1937	1938	May, 1938	June, 1938	May, 1939	June, 1939
Imports (lakhs of rupees)*	11,33	10,37	13,73	12,79	12,44	12,00	14,62	14,90
Exports (lakhs of rupees)*	13,39	15,44	17,52	14,05	12,02	12,72	15,33	15,43
Gold—Net Imports (−) or Net Exports (+) (lakhs of rupees)*	+3,60	+2,66	+1,36	+1,23	+0,94	+0,63	+1,19	+0,58
Silver—Net Imports (−) or Net Exports (+) (lakhs of rupees)*	+0,25	−1,10	−0,53	−0,11	−0,35	−0,16	−0,61	−0,42
Wholesale Prices (Calcutta, 1914 = 100)	91·0	91·0	102·0	95·5	94·0	94·0	100·0	99·0
Cotton† :—								
Official Crop Estimate (thousand bales)	4,807	5,933	6,204	5,663	—	—	—	—
Exports of Raw Cotton (thousand bales)	3,446	3,396	4,267	2,732	—	—	—	—
Piece Goods :—								
Home Production (yds. mill.) ...	4,853	5,227	5,004	5,568	—	—	—	—
Imports (yds. mill.)	944	947	699	591	—	—	—	—
Exports (yds. mill.)	58	71	191	241	—	—	—	—

* Monthly averages for the years 1934–37 inclusive.

† These statistics cover the seasons 1934–35, 1935–36, 1936–37 and 1937–38. The supplementary cotton crop estimate for 1938–39 is 5,120,000 bales.

NOTE.—One lakh of rupees equals approximately £7,500. One crore equals 100 lakhs.

NEW ZEALAND

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Imports† (£ N.Z. thous.)	2,865	3,337	4,282	4,776	4,455	4,184	3,778	5,338
Exports† (£ N.Z. thous.)	3,610	4,594	5,397	5,073	4,547	6,272	4,933	6,638
Net Overseas Funds of New Zealand Banks (end July each year, £ N.Z. mill.)	43·2	43·2	34·9	23·3	28·6	28·1	9·0	7·4
Wholesale Prices (1909–13 = 100) ...	138·5	139·9	150·0	151·4	151·9	151·4	154·8	154·6
Import Prices (1909–13 = 100)	132·2	133·2	140·2	142·5	142·4	—	142·0	—
Export Prices (1909–13 = 100)	110·2	125·0	144·0	136·7	134·3	138·9	129·2	128·1
Cost of Living (July, 1914 = 100) ...	133·3	137·6	147·0	151·4	150·7	151·5	154·8	156·1

* Monthly average. † The figures relate to the years ended July, 1935, 1936, 1937 and 1938.

THE UNITED STATES

	1935*	1936*	1937*	1938*	Apr., 1938	May 1938	Apr., 1939	May 1939
Industrial Production (1923–25 = 100)	90	105	109	84	73	73	92	91
Automobile Production (1923–25 = 100)	99	112	121	62	54	49	87	73
Freight Carloadings (1923–25 = 100) ...	64	75	78	62	57	58	60	62
Imports ($ millions)	170·6	201·9	257·0	163·4	160·0	148·0	186·0	203·0
Exports ($ millions)	190·2	204·7	278·7	257·8	274·0	257·0	231·0	249·0
Employment in Manufacturing Industries (1923–25 = 100)	91·3	97·8	105·8	87·0	85·4	83·7	90·9	90·4
Wholesale Prices (1926 = 100)	80·0	80·8	86·3	78·6	78·7	78·1	76·2	76·2
Monetary Gold Stock ($ millions) ...	9,059	10,578	12,162	13,250	12,829	12,891	15,509	15,878
Money in Circulation ($ millions) ...	5,585	6,101	6,475	6,510	6,387	6,415	6,867	6,919
Reporting Member Banks, Demand Deposits (adjusted) ($ millions) ...	12,729	14,619	15,097	15,033	14,437	14,579	16,455	16,796

* Monthly average.

BELGIUM

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—								
General Index (1923–25 = 100) ...	99·9	108·1	120·7	97·0	92·5	92·7	108·0	—
Coal (thousand tons)	2,207	2,314	2,473	2,464	2,463	2,405	2,569	—
Steel (crude) (thousand tons) ...	247	259	315	184	158	174	274	—
Total Imports (value Frs. millions) ...	1,417	1,758	2,271	1,891	1,878	1,859	1,839	—
Total Exports (value Frs. millions) ...	1,317	1,643	2,116	1,791	1,700	1,629	2,019	—
Employment Index (1929 = 100) ...	79·9	85·3	88·5	84	84·7	85·7	—	—
Wholesale Prices (1914 = 100)	537	588	684	630	631	629	599	597
Cost of Living (1921 = 100)	188	198	212	218	213·8	216·5	210·9	211·8
Gold Reserves (Frs. millions)	17,285	18,685	17,610	17,130	13,465	14,180	15,445	15,935
Note Circulation (Frs. millions)... ...	20,640	22,450	21,460	22,020	20,580	20,815	22,125	22,210

* Monthly averages.

FRANCE

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—								
Coal (tons thousand)	3,851	3,770	3,693	3,875	3,734	3,830	4,313	4,531
Steel (tons thousand)	522	559	658	514	501	480	742	769
Imports (Frs. millions)	1,745	2,118	3,526	3,832	3,878	3,811	4,080	4,073
Exports (Fls. millions)	1,289	1,291	1,995	2,549	2,324	2,291	3,063	3,207
Unemployed (thousands)	426	434	351	374	381	363	376	349
Wholesale Prices (1913 = 100) ...	338	411	581	653	654	660	684	683
Cost of Living (Paris, July, 1914=100)	423	470	601	702	705	698	738	739
Gold Reserves (Frs. millions)† ...	66,296	60,359	58,933	87,265	55,808	55,808	92,266	92,266
Note Circulation (Frs. millions)†...	81,150	89,342	93,837	110,935	98,923	102,087	121,391	122,611

* Monthly averages. † End of year.

HOLLAND

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—								
General Index (1929 = 100)	90·2	91·4	102·8	104·1	—	—	108·0‖	108·0‖
Imports (Fl. millions)	78·0	84·7	129·2	117·9	109·7	118·9	123·5	139·0
Exports (Fl. millions)	56·3	62·2	95·7	86·6	83·2	80·8	90·7	98·0
Unemployed (thousands)	384·7	414·5	368·9	353·5	332·0	311·0	275·9§	—
Shipping :—								
Entered in 1,000 tons G.R.T. ...	1,645	1,771	1,945	3,592	3,839	3,509	4,221	3,700‡
Cleared in 1,000 tons G.R.T. ...	1,268	1,357	1,517	2,693	2,684	2,853	2,675	2,820‡
Wholesale Prices (1926–30 = 100) ...	61·5	63·8	76·2	71·9	71·9	71·6	70·0	69·9
Cost of Living (1911–13 = 100) at Amsterdam	136·2	132·0	137·3	138·6	139·1	140·4	138·2‖	136·0¶
Gold Stock (Fl. millions)	643†	720†	1,366†	1,461†	1,481	1,481	1,209	1,175
Note Circulation (Fl. millions)	809†	792†	868†	992†	945	911	1,046	998

* Monthly average, general index for industrial production : 3-monthly average.
† End of year. ‡ Preliminary. ¶ Second quarter.
§ Including 63,200 people who, not finding employment in their own trades, have been employed on special relief work. ‖ Average for the first quarter of 1939.

GERMANY

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—								
General Index (1928 = 100) ...	95·3	107·8	118·8	128·0	128·8‖	126·9‖	135·7‖	—
Coal (million tons)	11·9	13·2	15·4	15·5	15·3‖	14·9‖	15·8‖	16·2‖
Lignite (million tons)	12·3	13·5	15·4	16·2	15·7‖	15·3‖	17·3‖	18·0‖
Steel (thousand tons)	1,371	1,601	1,654	1,937	1,964‖	1,890‖	2,069‖	2,105‖
Imports (Rm. millions)	347	351	456	504	518	486	440§	443§
Exports (Rm. millions)	356	397	493	468	469	436	485§	538§
Employment (thousands)	15,949†	17,097	18,354	19,566	19,857‖	19,998‖	21,105‖	—
Wholesale Prices (1913 = 100) ...	101·8	104·1	105·9	105·7	105·4	105·6	106·5	106·8
Cost of Living (1913–14 = 100) ...	123·0	124·5	125·1	125·6	125·9	126	126·1	126·5
Money in Circulation (Rm. millions)‡	6,389	6,694	7,499	8,726	8,233‖	8,482‖	10,742‖	10,953‖

• Monthly average.
† Saar excluded.
‡ End of year.
§ Includes Austria and Sudetenland.
‖ Includes Austria.

SWITZERLAND

	1935	1936	1937	1938	May, 1938	June, 1938	May, 1939	June, 1939
Imports (Fr. millions)	106·9	105·5	150·6	133·9	126·2	131·0	162·7	160·3
Exports (Fr. millions)	66·25	73·5	107·2	109·8	104·1	101·3	116·7	111·9
Wholly unemployed (per cent. of total population)	2·0	2·3	1·7	1·6	1·3	1·2	0·8	0·7
Wholesale Prices (1914 = 100)	90	96	111	107	107	107	107	106
Cost of Living (1914 = 100)	128	130	137	137	136	137	137	137
Gold Reserves (Fr. millions)	1,457	1,690	2,640	2,849	2,837	2,805	2,471	2,471
Note Circulation (Fr. millions)	1,283	1,294	1,378	1,555	1,529	1,541	1,737	1,729
Commercial Bank Deposits (Fr. millions)	2,693	3,150	3,277	3,111	—	3,150	—	—
Cantonal Bank Deposits (Fr. millions) ...	6,134	6,260	6,421	6,201	6,349	6,331	6,070	—

DENMARK

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—								
General Index (1935 = 100)	100·0	104·0	109·0	108·0	109·0	109·0	116·0	117·0
Imports (Kr. millions)	110·8	123·7	139·1	136·7	115·5	121·8	147·7	146·6
Exports (Kr. millions)	105·6	115·0	130·7	129·2	123·5	137·3	129·5	130·3
Unemployed (per cent.)	19·7	19·3	21·9	21·4	17·5	16·7	11·5	11·0
Wholesale Prices (1935 = 100) :—								
Import Goods	100·0	108·0	129·0	114·0	116·0	113·0	113·0	112·0
Export Goods	100·0	106·0	110·0	111·0	110·0	108·0	102·0	103·0
Total	100·0	105·0	119·0	112·0	112·0	111·0	111·0	110·0
Cost of Living (1935 = 100)	100·0	102·0	105·0	107·0	—	—	—	—
Gold Reserves (Kr. millions)	126·8	118·0	117·9	117·7	117·7	117·7	117·5	117·5
Note Circulation (Kr. millions)	372·9	381·9	388·3	411·5	408·5	413·9	434·6	446·4
Commercial Banks' Deposits (Kr. millions)	2,054	2,100	2,132	2,187	2,163	2,199	2,312	2,393

* Monthly average.

NORWAY

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—								
General Index (1935 = 100)	100	111	122	122	120	128	127	—
Export Industries (1935 = 100) ...	100	110	115	113	107	115	115	—
Home Industries (1935 = 100) ...	100	111	126	127	121	136	134	—
Imports (in millions of Kr.)	58·8	77·2	107·7	99·0	96·0	90·7	110·7	—
Exports (in millions of Kr.)	50·4	57·1	68·6	65·5	50·1	56·5	67·4	—
Unemployed	36,103	32,643	28,520	28,923	25,693	22,938	25,037	20,802
Idle Shipping (in thousands of tons dead-weight. Beginning of year and month)	313	69	26	Nil	363	403	212	254
Wholesale Prices (1913 = 100)	127	134	156	153	154	153	149	148
Cost of Living (1914 = 100)	151	155	168	171	171	172	171	172
Gold Reserves (Kr. mill., end of year) ...	185	215	180	206	199	199	237	245
Note Circulation (Kr. mill., end of year)	348	429	449	477	436	445	458	475

* Monthly averages.

SWEDEN

	1935*	1936*	1937*	1938*	May, 1938	June, 1938	May, 1939	June, 1939
Industrial Production :—(1935 = 100)†	100	108	119	117	118	116	122	—
Steel Production (in thous. of metric tons)	77	84	94	83	76·2	63·4	93·2	—
Imports (millions of Kr.)	123	136	178	172	167·2	155·3	208·3	201·8
Exports (millions of Kr.)	108	126·2	166·7	151·2	158·5	150·1	166·5	177·9
Unemployed (thousands)	80·8	68·7	66·3	74·6	58·8	59·6	—	—
Wholesale Prices (1935 = 100)‡ ...	100	—	124·5	116·4	114·6	115·4	114·6	115·4
Cost of Living§ (1914 = 100)	156	158	162	166	165	165	168	168
Gold Reserves (Kr. mill., end of year) ...	408	529	539	707	600	615	759	762
Note Circulation (Kr. mill., end of year)	786	893	980	1,061	931	972	1,012	1,059
Timber Exports (thousands of cub. metres)	300	334	353	283	292	372	371	599
Wood Pulp Exports (in metric tons) ...	175	190	213	165	177	171	209	188

* Monthly average. † Association of Swedish Industries. ‡ Svenska Handelsbanken.
§ Royal Social Board, Quarterly figures published beginning of each quarter.

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